

University of Groningen

University social responsibility in the context of economic displacement from the proposed upgrading of a higher education institution

Chen, Chen; Vanclay, Frank

Published in:
International Journal of Educational Development

DOI:
[10.1016/j.ijedudev.2020.102268](https://doi.org/10.1016/j.ijedudev.2020.102268)

IMPORTANT NOTE: You are advised to consult the publisher's version (publisher's PDF) if you wish to cite from it. Please check the document version below.

Document Version
Publisher's PDF, also known as Version of record

Publication date:
2020

[Link to publication in University of Groningen/UMCG research database](#)

Citation for published version (APA):

Chen, C., & Vanclay, F. (2020). University social responsibility in the context of economic displacement from the proposed upgrading of a higher education institution: The case of the University of Groningen Yantai campus. *International Journal of Educational Development*, 78, [102268].
<https://doi.org/10.1016/j.ijedudev.2020.102268>

Copyright

Other than for strictly personal use, it is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), unless the work is under an open content license (like Creative Commons).

The publication may also be distributed here under the terms of Article 25fa of the Dutch Copyright Act, indicated by the "Taverne" license. More information can be found on the University of Groningen website: <https://www.rug.nl/library/open-access/self-archiving-pure/taverne-amendment>.

Take-down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Downloaded from the University of Groningen/UMCG research database (Pure): <http://www.rug.nl/research/portal>. For technical reasons the number of authors shown on this cover page is limited to 10 maximum.



University social responsibility in the context of economic displacement from the proposed upgrading of a higher education institution: The case of the University of Groningen Yantai campus

Chen Chen*, Frank Vanclay

Department of Cultural Geography, Faculty of Spatial Sciences, University of Groningen, PO Box 800, 9700AV Groningen, the Netherlands



ARTICLE INFO

Keywords:

University social responsibility
Environmental, Social and Governance issues
Social licence to operate
Human rights
Project induced displacement and resettlement
Social impact assessment

ABSTRACT

Around the world, especially in rapidly developing countries, many higher education institutions of various forms are being established. In China, many new universities have been created, including by upgrading existing tertiary education institutions. This process creates economic displacement, with livelihood consequences and social impacts on existing employees and local communities. Using the proposed (but now cancelled) University of Groningen campus in Yantai, China, as a case study, we consider the social impacts that were experienced, or were likely to be experienced, by the employees of the pre-existing institution. Existing employees experienced many negative impacts from economic displacement. They were not satisfied with the compensation offered, their views and interests were not adequately considered, and many were afraid to express their concerns. The institutions involved in the project failed to fulfil their corporate social responsibility (CSR) and environmental, social and governance (ESG) obligations to ensure no harm.

1. Introduction

In the last few decades, many new tertiary education facilities have been established all over the world, especially in highly-populated, fast-developing countries like China (Altbach & Knight 2007; Mok & Xu 2008; Rhoads & Hu 2012; Feng 2013; Xie et al. 2014; Marginson 2016; Kim et al. 2018; Guimón & Narula 2020). According to the Ministry of Education (2020), as of 2019, there were 2,688 higher education facilities in China. Many factors – including the government's commitment to develop science & technology and accelerate economic development – have contributed to the rapid expansion of universities in China (Bie & Yi 2014; Marginson 2018). One method to establish new universities has been to upgrade existing lower level institutions. For example, of the 40 'new' tertiary institutions approved by the Ministry of Education in 2018: 19 were upgrades from professional colleges to regular colleges; 16 were upgrades from colleges to universities; 3 from independent colleges to normal universities; and 2 maintained the same level but changed their names to imply a larger geographical scale (e.g. from city to provincial level); and there were no brand new institutions (Ministry of Education 2018). From the perspective of all levels of government in China, this process of upgrading is considered desirable because it increases the reputation of the locality in which the institution is located. Consequently, governments at all levels have

implemented policies to accelerate this trend. However, the social impacts created by this process have largely been ignored (Chen et al. 2019).

An increase in the number or size of tertiary education facilities, along with the corresponding regional multipliers, would normally result in local people experiencing a more crowded community, a change in their local environment, and other social impacts (Vanclay 2002; IFC 2009; Smyth & Vanclay 2017; Chen et al. 2019). Where a new institution needs land, local people will likely experience physical displacement, especially if expropriation (the acquisition of land by the state) is applied (Vanclay 2017a; Chen et al. 2020). In cases of an upgrade of a tertiary institution, there may not need to be physical displacement of people (because the campus was already in existence), however, the existing employees of the former institution may lose their jobs, especially if they do not meet the skill requirements of the upgraded university. In other words, they experience economic displacement.

Economic displacement occurs when people's livelihoods (i.e. their means of making a living) are negatively affected by a planned intervention or project (Vanclay 2017a). Economic displacement is an inevitable part of the upgrading of institutions, and therefore more consideration needs to be given to reducing the negative social impacts of this displacement. Compared to the attention given to the impacts

* Corresponding author.

E-mail address: chen.chen@rug.nl (C. Chen).

<https://doi.org/10.1016/j.ijedudev.2020.102268>

Received 7 March 2020; Received in revised form 15 June 2020; Accepted 10 August 2020

Available online 23 August 2020

0738-0593/ © 2020 The Author(s). Published by Elsevier Ltd. This is an open access article under the CC BY license (<http://creativecommons.org/licenses/by/4.0/>).

created by large-scale physical displacement and resettlement, economic displacement generally receives much less attention (Vanclay 2017a). In some situations, governments and corporations offer new jobs or financial compensation to affected persons, often without thinking about the impacts this compensation will have on the lives of the affected people. Furthermore, the social impacts created by a project affect local perceptions about the organisation and its commitment to community engagement and social responsibility. They also affect the project's social licence to operate (Dare et al. 2014; Jijelava & Vanclay 2014, 2017, 2018).

As with all organisations, universities should be mindful of their corporate social responsibility (CSR) and environmental, social and governance (ESG) obligations (Larrán Jorge & Andrades Peña 2017; Rahman et al. 2019). In fact, 'university social responsibility' and the relationship between universities and their local communities are becoming increasingly discussed in the higher education management literature (Vasilescu et al. 2010; Hayter & Cahoy 2018). However, little research has considered the specific social responsibility actions universities should perform, especially in developing countries (Gomez 2014; Rahman et al. 2019; Chen et al. 2019, 2020). In addition to the lack of attention given to persons living nearby (new) universities, the impacts on the former employees of institutions being upgraded have also received little attention. Furthermore, there is little understanding about how to fulfil social responsibility expectations in the upgrading of higher education institutions, especially when several institutional partners are involved. In general, despite transnational university campuses becoming a worldwide trend (Guimón and Narula 2019), issues associated with the social responsibilities of universities are little discussed.

This paper considers the establishment of a proposed transnational university in Yantai (China). Although it was being developed as a branch campus of the Netherlands-based University of Groningen, from a local Yantai perspective, the planned institution was just an upgrade, changing a current local level university into an international university, albeit with an intended increase in the number of students. Even though the University of Groningen opted out of the arrangement in 2018 after three years of development, the case is still valid to consider because many impacts were created during that time, and the project is (or, given the longer-term implications of COVID-19, was) likely to be taken over by another international university. In this paper, we assess the economic displacement that has been and will be created by this planned upgrade, and we consider the social impacts of this displacement on existing employees, most of whom would be retrenched. In general terms, we seek to raise awareness of the social responsibility obligations of higher education institutions, something we feel is much ignored.

2. Economic displacement and its social impacts

Project-induced displacement creates many social and environmental impacts. Projects also create impacts irrespective of whether or not people are displaced (Vanclay 2002, 2017a; Cernea 2003). Physical and economic displacement are multi-dimensional, multi-factor, multi-actor, multi-scalar and multi-level processes (Vanclay 2017a). Due to their varying characteristics, people are affected by projects and displacement in different ways (Cernea 1997; Oliver-Smith 2010; Vanclay 2012). Some people benefit, while others suffer various social impacts, impoverishment risks, and changes to their lives and livelihoods that frequently are not compensated, and generally cannot be compensated for by money (Cernea 2003; Vanclay 2017a).

Social impacts are everything that affect people and communities. They can be physical in that they are felt by the body, or cognitive in that they can be perceived (Vanclay 2002). Amongst the many impacts created are uncertainty, anxiety and stress (McDonald-Wilmsen & Webber 2010; Vanclay 2012). Anxieties are real social impacts, even though they may be based on perceptions. Anxiety can arise from

rumours, regardless of whether or not these rumours have any foundation. Fear and anxiety can be severe social impacts whether or not the project actually eventuates (Vanclay 2012; Vanclay et al. 2015). Therefore, a postponed or cancelled project still creates social impacts, because rumours and expectations abound (Chen et al. 2019).

The extent and kinds of social impacts created depend on many factors, including the quality of the engagement between project and community, the characteristics and impact history of the local community, as well as the effectiveness of any mitigation activities implemented (Franks & Vanclay 2013; Vanclay et al. 2015; Hanna et al. 2016; Esteves et al. 2012, 2017; van der Ploeg & Vanclay 2018). People displaced by projects (whether physically or economically) experience multidimensional stress, i.e. stress in physiological, psychological and sociocultural terms, and stress in every aspect of life (Scudder & Colson 1982; Vanclay 2017a). An inverse relationship exists between the extent of participation of affected people in the project and the level of stress they suffer (Wilmsen & Webber 2015).

3. University social responsibility and international standards

All organisations (including universities) are expected to observe human rights (United Nations 2011) and various other international standards, and they should contribute to shared value (Vanclay & Hanna 2019). There are community expectations for all organisations to provide local benefits, in terms of benefit sharing, social investment and CSR activities (Esteves and Vanclay 2009; Vanclay 2017b). In short, key aspects of international standards are that: projects should not create harm; people should not be made worse off; where physical or economic displacement occurs, affected people must be properly compensated; people must be adequately informed about the planned developments and have the ability to put their point of view across; and appropriate and effective grievance redress mechanisms must be implemented (Vanclay & Hanna 2019).

A significant consideration is that all organisations (private and public, thus including universities) are generally expected to consider human rights and other ESG issues throughout their whole supply chain. Principle 13 of the United Nations *Guiding Principles on Business and Human Rights* states that business enterprises and other organisations must "seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts" (United Nations 2011 p.14). Organisations are expected to apply leverage to their business partners, including States, to ensure that there are no human rights harms anywhere in their supply chain. All organisations are expected to have responsible sourcing policies and procedures in place (Vanclay & Hanna 2019).

CSR is usually considered to be the voluntary commitments (i.e. above minimum legal requirements) that are made by a business or other organisation to manage social and environmental issues and to improve the quality of life of host communities and employees (Dahlsrud 2008). Although somewhat ambiguous, it is sometimes inferred that CSR should refer only to those contributions that are not only above minimum legal standards in the host country, but also above what would be expected by normal international standards (Vanclay & Hanna 2019). In developing countries, especially now after the introduction of modern slavery legislation in some countries, concern has primarily focussed on labour standards and workplace human rights issues (Gold et al. 2015; Jamali & Karam 2016; Nguyen et al. 2018), without considering the full range of issues (van der Ploeg & Vanclay, 2017; 2018). What is included within an organisation's CSR radar varies by institution, sector and location, and awareness of and compliance with international standards is highly variable (Vanclay & Hanna 2019). Many shortcomings in compliance with regulations have been observed, especially in some Asian countries (Kuo et al. 2012; Kim & Ji 2017). Differing understandings of CSR, ESG and international standards create conflicting expectations, which is especially

problematic for the operation of transnational enterprises, including universities (Bondy & Starkey 2014; Mahmood & Humphrey 2013).

What we are suggesting is that most universities are not necessarily aware of, or compliant with, international standards pertaining to organisational conduct or project development. Despite universities being major organisations, there is generally a very poor understanding of social responsibility within university management, and the concept of social licence to operate is virtually absent from the educational management discourse. Although there is a discourse of 'university social responsibility', it is still a relatively minor theme in the higher education sector. By analysing a case of a transnational university in China, even if it was only an institutional upgrading, we reveal how little consideration was given to issues such as economic displacement.

4. Methods

Using a case study approach, we studied the development of the University of Groningen Yantai campus from prior to its inception to after its cancellation in 2018. UGY was to be located in the City of Yantai, a coastal city of 7 million people in the Shandong Province of China. A multi-methods approach to collecting data was used involving document analysis, a review of media reports, key informant interviews, and field observation. In order to gain a full understanding of the impact history of the campus, and of the stakeholders involved in the project, we reviewed all relevant official documents from government and institutional sources. We also monitored Chinese and Dutch media reports, which we accessed using the Google and Baidu search engines.

Our document analysis not only included information about UGY per se, but also about the existing campus in Yantai. We reviewed all relevant internal documents that we were able to access from the various institutional partners – University of Groningen (UG), China Agricultural University (CAU), China Agricultural University Yantai (CAUY), Yantai Agricultural Secondary School (YASS), and the Yantai City Council (YCC) – including documents provided to us by our research contacts.

In total, 101 people were interviewed. We interviewed 25 key informants who were managers or key UGY project staff, including 6 from UG, 5 from CAU, 8 from CAUY, 4 from YASS and 2 from YCC. We had face-to-face interviews with 27 employees working for the existing institution, CAUY. These employees varied in terms of gender, age, and position. We also interviewed 32 students currently studying at the Yantai campus and 17 graduates (alumni).

Most interviews and field observations were undertaken between December 2017 and February 2018. During that period, the lead author resided near the UGY campus gaining first-hand information and impressions. It is worth noting that he had spent three years, 2010 to 2013, living in Yantai, and observations during that period have also influenced this research. In early 2019, some follow-up interviews were done to check on any subsequent developments.

The lead author is a native Chinese who is undertaking a PhD at the University of Groningen in The Netherlands, funded by the Chinese Scholarship Council. He gained his bachelor and master's degrees from China Agricultural University (Beijing), the partner university in the UGY project. He was born and raised in Qingdao, near Yantai, and thus he understands the local dialect. He was familiar with all the parties involved in the UGY project and could easily access the relevant materials.

The interviews were conducted in conventional Mandarin, local dialect (Yantai-ese) or English, with some being audio-recorded. Interviews were done in a manner consistent with ethical social research practice (Vanclay et al. 2013) and were subject to the oversight of the University of Groningen Faculty research ethics committee. Where possible and/or appropriate, data were triangulated and/or cross-checked.

5. The evolution of the Yantai campus

There have been two upgrades at the Yantai site, the first (circa 2002) was from the Yantai Agricultural Secondary School (YASS) to the China Agricultural University Yantai (CAUY); and the second (circa 2015) was to have been from CAUY to UGY. An important difference between the two upgrades was that in the first, YASS employees retained their jobs at CAUY (although technically they remained employed by YASS), but in the second upgrade to UGY, most employees would have been made redundant (retrenched), thus the creation of the UGY campus would have caused economic displacement. The upgrade to UGY would also have caused many other social impacts. Furthermore, the failure to proceed with the UGY plans also caused many social impacts (Chen et al. 2019).

The long history of the development of the Yantai campus was partly responsible for many of the social impacts that had already been created and that would be created into the future. The proposed UGY campus was part of a plan that involved the redevelopment of the existing CAUY campus. Already having two campuses in Beijing, in 2002 CAU successfully applied to establish its third campus in Yantai and in 2005 it began to educate its Bachelor students in Yantai. However, around 2005, the CAU Board developed a plan to rationalise its campuses, with the intention of educating all its 30,000 Bachelor students at the Yantai campus. Therefore, the YCC provided 200 hectares of land in its high-tech zone and advanced USD 190 million for construction of the campus and buildings (Chen et al. 2019). To further assist the CAUY project, YCC, which was responsible for YASS, required YASS to relinquish its land holding, and YASS employees were required to work simultaneously for CAUY and YASS.

A change in the CAU Board around 2007 led to the CAUY plan being postponed indefinitely. However, by this time, construction had commenced, and many buildings were already complete. CAU together with YCC were thus left with an underutilised established campus in Yantai. From 2007 on, CAUY tried to utilise this campus by using it to educate students from Shandong Province, around 1000 in total. However, this was inefficient and undesirable from many perspectives. After considering various options, and given the favourable national situation, from 2010 on, CAU and YCC searched for a foreign university to take over the campus. With the University College Dublin (Ireland) and Wageningen University (The Netherlands) considering but rejecting the opportunity, the option was taken up by the University of Groningen (UG) in early 2015. On 25 March 2015, CAU, the YCC and UG signed a Memorandum of Understanding, and a formal agreement was signed on 26 October 2015.

From 2015 to the end of 2017, there was much planning and frequent delegations between China and the Netherlands. YCC invested further in revamping the campus to meet UG expectations. Many buildings needed a make-over and additional construction was undertaken. However, due to strong opposition from the elected University of Groningen Council, in January 2018, the UG University Board was forced to withdraw from the agreement.

The provision of information about the project to the Yantai public was always problematic. As with most projects, there was much news when there was progress on the project to report, but little information was provided when there was limited progress. When UG cancelled its UGY plans (Jan 2018), there was only very limited distribution of this information in Yantai, and even two years later many local people were not aware that UGY had been cancelled. From a Yantai perspective, there had been many plans, and rumours about plans, since at least 2002, when CAU announced it would establish a campus in Yantai. Plans for a foreign university campus had been circulating since 2010. Some employees of CAUY and YCC became confused by the varying and sometimes contradictory information, and when we checked with our sources in early 2020, they indicated that many people in Yantai were still uncertain about the situation.

In 2018, around 300 people worked at CAUY, including about 100

so-called academic staff and 200 administrative staff. However, according to some employees and students, less than 20 of them were truly 'academic' in any international sense. The Yantai employees belonged to two separate institutional systems, about 200 in YASS (and formally employed by YCC) and 100 employed by CAUY. Most YASS academic staff only had bachelor or master degrees from low-level local universities.

When CAUY started in 2005, it intended to recruit students who had a high score in the National College Entrance Examination. These students expected high-quality education from highly qualified academic staff. However, many of the YASS academics (working at CAUY) were not adequately qualified and did not meet the expectations of the students and their families. Therefore, CAUY recruited some new academic staff with higher degrees from more reputable institutions. The 2007 change in the strategy of the CAU Board created legal uncertainty for CAUY. The limited quality of most of their employees (the former YASS employees) meant that CAUY failed to meet the requirements of the Chinese Ministry of Education and therefore arguably it had no legal authority to recruit students or issue employment contracts (since it was in breach of the rules). We understand from our interviewees that there was tacit acceptance by the Ministry that CAUY could continue to operate, but it was prohibited from increasing the number of students taught until the situation improved. It thus remained at low numbers (with an annual intake of around 300 students). Since the CAUY operations were not strictly legal, employees could not be formally employed by CAUY, thus their work contracts had to be unconventional or informal. This meant that the employees had no health insurance, none of the normal social security benefits, and reduced security of employment. This affected their wellbeing (especially their personal sense of security of employment), and led to them being reluctant to speak up within their own organisation about the developments.

The main source of revenue for CAUY was student tuition fees. With the restriction on recruiting students, for several years CAUY became trapped in a financial crisis, as it had massive capital costs it had to pay off relating to a campus constructed for a much larger number of students. Furthermore, although YCC paid the salary of the YASS employees, CAUY was supposed to pay a top-up bonus to them. CAUY also had to pay its own employees. The low student-to-staff ratio, together with repayments and maintenance on the buildings, was a huge burden for CAUY. We were told that CAUY was defaulting on its repayments, and that employees (CAUY and YASS) had not received their full salary entitlements.

There were many unused buildings. The CAUY Board decided to rent these buildings out to other institutions to bring in rental income, with apparent disregard to the potential inconvenience to its own students. For two academic years, 2015-16 and 2016-17, many buildings were rented to the Yantai Industry and Technician College, whose future campus was still under construction. They had over 2,000 students on the CAUY campus, far surpassing the 1,000 students of CAUY. Many CAUY students complained that this created much inconvenience for them and that they felt inferior on their own campus. Worse still, from a local employee perspective, was that the rental income was not used to pay the YASS bonuses or the salary of CAUY employees, rather the money was used to repay debts.

UGY was going to hire academic employees based on stringent quality requirements, including English language skills. Existing employees could apply for the vacancies posted by UGY and compete with other applicants, however, it was likely that most CAUY and YASS employees would not meet the requirements. Although UGY might give priority to existing employees, the CAUY and YASS employees had no confidence they would get jobs, since most of them could not speak English (and in fact some could not even speak Mandarin!), and did not have a PhD or appropriate academic achievement (publications, teaching experience in English etc). YCC promised (and was obligated) to give YASS employees other jobs, but inevitably these would not be as good as their current job. For academic employees hired by CAUY, the

situation was worse. Because they were not registered in the government system, this meant they had to find new jobs by themselves. Although they had better qualifications and academic abilities than the YASS employees, most were not adequately qualified to work in an international university like UGY. There was a plan to establish a CAU research institute in Yantai, which would employ some of the CAUY employees. However, according to the comments we received, most employees were not adequately qualified to work in a research institute due to their lack of research skills.

There was also an issue with UG about how general staff would be treated. UG intended to engage only competent, professional employees to offer high-quality service in the new campus, while CAUY wanted all (or at least most) of its current employees to be employed by UGY. In order to meet the UGY expectations, current employees needed additional training and would need to work harder, even though their salary would not be significantly higher than their current salary.

Due to uncertainty about the future and arrears in the payment of wages, about 20 of the 100 CAUY employees resigned between 2009 and 2018. These were primarily high quality academics who had specific skills that meant they could easily find new jobs. Other employees, however, had only limited employment options.

Since the establishment of UGY would influence the leisurely lifestyle of existing employees, most had negative views about UGY, and privately wanted the proposal to fail. What they wanted was the expansion of CAUY and the regularisation of their employment contracts. In 2017, CAUY used the UGY plan as an opportunity to be registered as a legal entity, which meant that employees from CAUY finally had an official institution, although their informal contracts were not revised.

6. Economic displacement and its social impacts

Given that the UGY plan was halted in 2018, in our analysis we focus both on the actual consequences of the UGY project up to 2018, and on the potential impacts that would have arisen if it would have proceeded, thus we mostly continue to say 'the planned project'. We use the expression UGY2 to refer to the potential future reincarnation of the project with another international university. Thus, when we discuss UGY2, we mean the impacts of UGY up until 2018, and the future impacts that will arise when the campus is taken over by another university. The impacts of UGY2 are both past tense, relating to what has happened in terms of campus preparation already (up until UG pulled out in 2018), as well as future tense with respect to what will likely happen in the future. In 2020, CAU and YCC are still considering various options for the campus, but have not given up on the idea that another major international university will seize this opportunity left vacant by UG. In the discussion below, the impacts of UGY and UGY2 have been grouped into key themes, including employment benefits, social status, health and wellbeing, and family life. Overall, the impacts can be summed-up in the words of one employee: "It is unfair that the big bosses signed a contract and claimed the upgrading project as good news, without considering that we might lose our jobs and have to start out all over again in our middle age. It might be good news for them, but not for us!"

6.1. Reduction in employment benefits

Most former YASS and CAUY employees do not meet the credentials, experience, or English language requirements of UGY2 and therefore will be made redundant. Even those who meet the minimum requirements will likely be uncompetitive in the international recruitment process UGY2 will implement. As discussed above, former YASS employees will continue to work for YCC, while the CAUY employees will be retrenched. Likely, only a few people will continue to work for UGY2. The retrenched people will receive some severance pay, but, at least until they find alternative jobs, they will be worse off. The former YASS employees will retain their jobs, but they will lose their bonus,

and will have other changes in their employment conditions.

Salary is not the only point of consideration for employees working at the Yantai campus. They will also experience a reduction in non-salary benefits. Academic employees will lose access to research funds if they have to leave their academic position. For those who will stay on, performance expectations will likely increase, and the nature of their duties will change.

Many academic employees traded on the reputation of CAU by claiming that they were “academics from CAU, the best agricultural university in China”, even though they actually belonged to another institution with a lower academic ranking (CAUY). With the CAU billing, it was easier to apply for research funds or projects, and many firms hired them as consultants in order to utilize their knowledge or just their claimed affiliation. Some employees appeared on TV with the title of “professor at CAU” and were paid for their appearances. Although such subterfuge might not work in Beijing (where the other official campuses of CAU were located) or in other big cities with high-level universities, it has worked well in Yantai and many people gained benefit this way. These spurious benefits will be lost with UGY2.

Some employees who had already reached retirement age could not retire because of the uncertain legal status of CAUY. After 2017, when CAUY became formalised, they might have been able to gain access to their retirement entitlements, but most of these employees felt that the benefits were unfair. They would get much less (about 60%) from CAUY than they would have received from a government body like YCC. While the UGY proposal was beneficial in that it contributed to the official registration of CAUY, the plan shattered their wishes for CAUY to transform into registered government institute and thereby lead to improved retirement outcomes. In 2019, there were still some employees of post-retirement age who insisted on working, hoping that YCC would include them in the government system enabling them to get a better retirement package.

6.2. Decline in social status

Working in a higher education institution is generally considered respectable in China, especially if it is a university with a good reputation, like the China Agricultural University. YASS employees believed they had higher social standing if they worked for an institution called CAUY or CAU rather than YASS, even though, strictly speaking, they were only employees of the Yantai City Council. With CAUY, they had an employer with a good reputation, more income (as discussed above), and more chance to have privilege in their daily life. In many people's opinions, as one employee said, “working in such a high-level university was much better than working for a company”. Even though there was some legal uncertainty with their existing institution, the general public had little idea about this and therefore it did not affect the institutional reputation. The few employees who will get a job in UGY2 will likely gain an even better reputation by working for an international university. However, most employees will be forced to leave the institution and will experience a decline in their social status. Many employees, especially those in top positions who have become used to being important, will lose their jobs and/or will become subordinate to new managers in UGY2 or in other organisations, and will suffer from reduced social standing.

Another issue is that, in CAUY, the ratio of manager to staff was high. Because of the low number of students, each academic department and service division had a Head, but only a few staff. The managers were paid a relatively high salary, but had command only of a limited number of employees. It is likely that many of them will not find equivalent management positions in other institutions. It might be hard for them to adjust to this change in their function.

6.3. Impacts on health and wellbeing

Because of the small number of students and a degree of over-

staffing, employees at Yantai campus had been used to a leisurely style of working. With the establishment of UGY2, employees will work either in UGY2 or in a company, and they will have to give more attention and energy to their new job than they did in the past. Since their income will probably decline, they will have a lower quality of life and/or will have to work harder. This increased work burden and associated stress will have negative impacts on their health.

Some younger academics from CAUY tried to improve their skills and/or get a PhD so that they might be more competitive in applying for new jobs. Several resigned from CAUY and got jobs or started new businesses elsewhere. However, most employees lost motivation to work or even to look for another job, and they hoped that there would be a new plan, one in which they could largely maintain their current situation. Several CAU professors graciously tried to involve CAUY employees in their research teams, but most employees lacked adequate qualifications, skills, aptitude and/or motivation. Because of the uncertainty, and the fact that employees would be competing with each other for future jobs, they were not sure about who they could trust, which impacted on their social relationships.

Many employees were in their 40s or 50s, and had enjoyed being the affluent middle class of Yantai for many years. The establishment of UGY2 will make them unemployed and force them to become job seekers. As one employee stated, “I will have the burden of caring for my elderly parents, supporting my family, and paying back a home loan. If I lose my current job and have to find a new job elsewhere, I would need to cope with negative public perception, including from new colleagues, about losing my job at my age”. For people who previously had management positions, the feeling of a loss of power will be considerable. All this stress will influence their mental health and general wellbeing.

6.4. Conflicts within the family

Working at CAUY had various advantages, such as being able to leave work early to pick up children from school, a chance to have contact with famous academics, being familiar with the Chinese educational system and knowing how to work the system for the advantage of one's own children. For some employees, these benefits were important to maintaining their marriage, especially for employees in middle age groups. If they lose their job, with associated impacts on their income and social status, their marriage situation might become precarious. Depression from stress and lost social status will also lead to a decline in social relationships within the family.

7. Social responsibility considerations

The plans for a campus at Yantai have caused and will continue to cause economic displacement, and many various social impacts on existing employees and the wider community. Many of these impacts also affected how people make their living. Since many employees were middle-aged, the economic displacement will seriously influence their life. Most CAUY employees have been trapped in a situation of ongoing uncertainty for many years, with some above retirement age being unable to retire. Although physical displacement of some local people happened with the creation of the high-tech zone before the appointment of staff to CAUY (Chen et al. 2019), existing employees have experienced several rounds of potential economic displacement. They have had to withstand much stress, and if they could not adequately cope, they became depressed and alienated. Clearly, there are human rights, CSR and ESG issues that the various institutions should have considered more seriously.

Although most employees claimed to be supportive of the UGY project in public, many expressed adverse views in private. They regarded the UGY development as an interruption to what they hoped would have been a peaceful and comfortable life. Even though CAUY had an uncertain legal status, and many complaints about this were

made by employees, the preferred option of most employees was a continuation of CAUY. The UGY/UGY2 proposal would mean that many employees would fall from their current comfortable middle class positions to become job seekers, something they considered to be unacceptable and daunting, especially those in their middle age. They could not express their real opinions in public, since they feared they would lose their jobs. Clearly, they were intimidated.

As respectable, world-class, education institutions, UG and CAU were supposed to exercise appropriate social responsibility and care. However, as is evident in the UGY project, the performance of UG and CAU reveals that they did not fully consider the impacts on and needs of existing employees, or their ESG/CSR obligations as institutions. Perhaps they expected other parties (e.g. YCC) to address the issues, but even then they would be negligent in failing to ensure that there were no ESG issues throughout the supply chain. A supply chain analysis of any organisation must include, not only consideration of who was displaced by land acquisition, but also of those who were economically displaced by the project (Vanclay 2017a, 2017b; Vanclay & Hanna 2019). The grand plan for the Yantai site only considered the local community, but not the interests of the employees in the pre-existing institutions. Although UGY2 might still be achieved, the lack of consideration of economic displacement and its social consequences has and will create many social impacts.

One specific element of the failure of the various institutions was that no grievance redress mechanism was implemented. Principle 29 of the *United Nations Guiding Principles on Business and Human Rights* (United Nations 2011, p.31) indicates that organisations “should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted”. The lack of adequate compensation for losses was also an issue that would make this situation at odds with international standards.

8. Conclusion

The upgrading of higher education institutions is likely to create economic displacement and/or cause other social impacts on existing employees, potentially including a reduction in their income, a decline in their social status, impacts on their health and wellbeing, family conflict, and other impacts. These social impacts and the anticipation of them significantly influence the quality of life of employees, and affect the institution's fulfilment of its CSR and environmental, social and governance (ESG) obligations, and its social licence to operate. In the case of the University of Groningen Yantai campus, the existing employees had little opportunity to express their views, and they struggled to cope with economic displacement and its social impacts. There was no grievance redress mechanism in place. In several ways, the University of Groningen and its Chinese partners were not consistent with what should be best practice in university social responsibility.

This was not just a story about Yantai in China, or about the upgrading of a higher education institution. Development projects and institutional upgrading processes happen everywhere in the world. The potential for economic displacement, with impacts on people's livelihoods and income-generating activities, exists in most projects. If managed properly, it is possible to reduce the negative social impacts created by economic displacement, and to increase the benefits from projects. If not managed properly, local people will suffer from various social impacts, and organisations will be at risk of being in breach of human rights, international standards, ESG obligations and CSR expectations. Therefore, project developers need to fully consider the impacts on employees in order to meet international standards and fulfil expectations about their duty to perform CSR and observe ESG.

A project can interfere with people's normal life and create social impacts even when it is cancelled or postponed. How information is provided is very important in the planning process. People make plans based on the information they believe to be true, including on the basis of rumours. Organisations are responsible for ensuring that employees

are clearly and timely informed of plans, and of any changes to plans.

Compared to physical displacement, economic displacement has received much less attention and is under-considered in project development generally. Nevertheless, economic displacement has major impacts on people. Economic displacement creates social impacts not only on local residents, but also on existing employees. Employees will tend to hide their true views in order to improve their chance of maintaining their employment or of getting a new position. Regardless of any compensation that might be provided, their livelihood and lifestyle will be severely affected by an upgrading process. It is important that the field of higher education management expand its awareness of social issues, and consider how new universities and the upgrading of institutions potentially bring harm, even though they may also create benefits for local communities. Much more attention needs to be given to reducing the harm to local communities and existing employees.

Declaration of Competing Interest

The authors declare no conflict of interest

Funding

This research was funded by China Scholarship Council.

CRediT authorship contribution statement

Chen Chen: Conceptualization, Data curation, Formal analysis, Funding acquisition, Investigation, Methodology, Project administration, Resources, Writing - original draft, Writing - review & editing. **Frank Vanclay:** Project administration, Supervision, Validation, Writing - original draft, Writing - review & editing.

Acknowledgements

Terry van Dijk was also involved in the supervision of this research.

References

- Altbach, P.G., Knight, J., 2007. The internationalization of higher education: Motivations and realities. *Journal of Studies in International Education* 11 (3-4), 290-305.
- Bie, D.R., Yi, M.C., 2014. The context of higher education development and policy response in China. *Studies in Higher Education* 39 (8), 1499-1510.
- Bondy, K., Starkey, K., 2014. The dilemmas of internationalization: Corporate social responsibility in the multinational corporation. *British Journal of Management* 25 (1), 4-22.
- Cerne, M., 1997. The Risks and Reconstruction Model for resettling displaced populations. *World Development* 25 (10), 1569-1587.
- Cerne, M., 2003. For a new economics of resettlement: A sociological critique of the compensation principle. *International Social Science Journal* 5, 37-45.
- Chen, C., Vanclay, F., van Dijk, T., 2020. How a new university campus affected people in three villages: The dynamic nature of social licence to operate. *Impact Assessment and Project Appraisal*. <https://doi.org/10.1080/14615517.2020.1769403>.
- Chen, C., Vanclay, F., Zhang, Y., 2019. The social impacts of a stop-start transnational university campus: How the impact history and changing plans of projects affect local communities. *Environmental Impact Assessment Review* 77, 105-113.
- Dahlsrud, A., 2008. How corporate social responsibility is defined: an analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management* 15 (1), 1-13.
- Dare, M., Schirmer, J., Vanclay, F., 2014. Community engagement and social licence to operate. *Impact Assessment & Project Appraisal* 32 (3), 188-197.
- Esteves, A.M., Factor, G., Vanclay, F., Götzmann, N., Moreira, S., 2017. Adapting social impact assessment to address a project's human rights impacts and risks. *Environmental Impact Assessment Review* 67, 73-87.
- Esteves, A.M., Franks, D., Vanclay, F., 2012. Social impact assessment: The state of the art. *Impact Assessment & Project Appraisal* 30 (1), 35-44.
- Esteves, A.M., Vanclay, F., 2009. Social Development Needs Analysis as a tool for SIA to guide corporate-community investment: Applications in the minerals industry. *Environmental Impact Assessment Review* 29 (2), 137-145.
- Feng, Y., 2013. University of Nottingham Ningbo China and Xi'an Jiaotong-Liverpool University: Globalization of higher education in China. *Higher Education* 65 (4), 471-485.
- Franks, D., Vanclay, F., 2013. Social Impact Management Plans: Innovation in corporate and public policy. *Environmental Impact Assessment Review* 43, 40-48.
- Gold, S., Trautrim, A., Trodd, Z., 2015. Modern slavery challenges to supply chain

- management. *Supply Chain Management* 20 (5), 485–494.
- Gomez, L., 2014. The importance of university social responsibility in Hispanic America: A responsible trend. In: countries, developing, Eweje, G. (Eds.), *Corporate Social Responsibility and Sustainability: Emerging Trends in Developing Economies*. Emerald, Bingley UK, pp. 241–268.
- Guimón, J., Narula, R., 2020. When developing countries meet transnational universities: searching for complementarity and dealing with dual embeddedness. *Journal of Studies in International Education* 24 (3), 314–336.
- Hayter, C.S., Cahoy, D.R., 2018. Toward a strategic view of higher education social responsibilities: A dynamic capabilities approach. *Strategic Organization* 16 (1), 12–34.
- Hanna, P., Vanclay, F., Langdon, E.J., Arts, J., 2016. The importance of cultural aspects in impact assessment and project development: Reflections from a case study of a hydroelectric dam in Brazil. *Impact Assessment & Project Appraisal* 34 (4), 306–318.
- IFC, 2009. *Projects and People: A Handbook for Addressing Project-Induced In-migration*. International Finance Corporation, Washington DC Accessed 10 June 2020. https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_handbook_inmigration.
- Jamali, D., Karam, C., 2016. Corporate social responsibility in developing countries as an emerging field of study. *International Journal of Management Reviews* 20 (1), 32–41.
- Jijelava, D., Vanclay, F., 2014. Assessing the social licence to operate of the work of humanitarian and development cooperation organizations: A case study of Mercy Corps in Samtskhe-Javakheti, Georgia. *Social Epistemology* 28 (3–4), 297–317.
- Jijelava, D., Vanclay, F., 2017. Legitimacy, credibility and trust as the key components of a Social Licence to Operate: An analysis of BP's projects in Georgia. *Journal of Cleaner Production* 140 (Part 3), 1077–1086.
- Jijelava, D., Vanclay, F., 2018. How a large project was halted by the lack of a social licence to operate: Testing the applicability of the Thomson and Boutilier model. *Environmental Impact Assessment Review* 73, 31–40.
- Kim, D., Song, Q., Liu, J., Liu, Q., Grimm, A., 2018. Building world class universities in China: exploring faculty's perceptions, interpretations of and struggles with global forces in higher education. *Compare: A Journal of Comparative and International Education* 48 (1), 92–109.
- Kim, S., Ji, Y., 2017. Chinese consumers' expectations of corporate communication on CSR and sustainability. *Corporate Social Responsibility and Environmental Management* 24, 570–588.
- Kuo, L., Yeh, C.C., Yu, H.C., 2012. Disclosure of corporate social responsibility and environmental management: Evidence from China. *Corporate Social Responsibility and Environmental Management* 19 (5), 273–287.
- Larrán Jorge, M., Andrade Peña, F., 2017. Analysing the literature on university social responsibility: A review of selected higher education journals. *Higher Education Quarterly* 71, 302–319.
- Marginson, S., 2016. The worldwide trend to high participation higher education: Dynamics of social stratification in inclusive systems. *Higher Education* 72 (4), 413–434.
- Marginson, S., 2018. Higher education, economic inequality and social mobility: Implications for emerging East Asia. *International Journal of Educational Development* 63, 4–11.
- Mahmood, M., Humphrey, J., 2013. Stakeholder expectation of corporate social responsibility practices: a study on local and multinational corporations in Kazakhstan. *Corporate Social Responsibility and Environmental Management* 20 (3), 168–181.
- McDonald-Wilmsen, B., Webber, M., 2010. Dams and displacement: raising the standards and broadening the research agenda. *Water Alternatives* 3, 142–161.
- Ministry of Education, 2018. Public announcement on the approval of the establishment of higher education institutions in 2018. Accessed 10 June 2020. http://www.moe.gov.cn/s78/A03/A03_gggs/s8462/201805/t20180531_337985.html.
- Ministry of Education, 2020. The 2019 National Statistical Bulletin on Education Development. Accessed 10 June 2020. http://www.moe.gov.cn/jyb_sjzl/sjzl_fztjgb/202005/t20200520_456751.html.
- Mok, K.H., Xu, X., 2008. When China opens to the world: A study of transnational higher education in Zhejiang, China. *Asia Pacific Education Review* 9 (4), 393–408.
- Nguyen, M., Bensemann, J., Kelly, S., 2018. Corporate social responsibility (CSR) in Vietnam: A conceptual framework. *International Journal of Corporate Social Responsibility* 3 (9), 1–12.
- Oliver-Smith, A., 2010. *Defying Displacement: Grassroots Resistance and the Critique of Development*. University of Texas Press, Austin.
- Rahman, A.A., Castka, P., Love, T., 2019. Corporate social responsibility in higher education. *Corporate Social Responsibility and Environmental Management* 26, 916–928.
- Rhoads, R.A., Hu, J., 2012. The internationalization of faculty life in China. *Asia Pacific Journal of Education* 32 (3), 351–365.
- Scudder, T., Colson, E., 1982. From welfare to development: a conceptual framework for the analysis of dislocated people. In: Hansen, A., Oliver-Smith, A. (Eds.), *Involuntary Migration and Resettlement: The Problems and Responses of Dislocated People*. Westview Press, Boulder CO, pp. 267–287.
- Smyth, E., Vanclay, F., 2017. The Social Framework for Projects: A conceptual but practical model to assist in assessing, planning and managing the social impacts of projects. *Impact Assessment & Project Appraisal* 35 (1), 65–80.
- United Nations, 2011. *The Guiding Principles on Business and Human Rights: Implementing the UN 'Respect, Protect and Remedy Framework'*. United Nations Human Rights Office of the High Commissioner, New York, NY, USA Accessed 10 June 2020. https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf.
- van der Ploeg, L., Vanclay, F., 2017. A human rights based approach to project-induced displacement and resettlement. *Impact Assessment & Project Appraisal* 35 (1), 34–52.
- van der Ploeg, L., Vanclay, F., 2018. Challenges in implementing the corporate responsibility to respect human rights in the context of project-induced displacement and resettlement. *Resources Policy* 55, 210–222.
- Vanclay, F., 2002. Conceptualising social impacts. *Environmental Impact Assessment Review* 22 (3), 183–211.
- Vanclay, F., 2012. The potential application of Social Impact Assessment in integrated coastal zone management. *Ocean & Coastal Management* 68, 149–156.
- Vanclay, F., 2017a. Project induced displacement and resettlement: From impoverishment risks to an opportunity for development? *Impact Assessment & Project Appraisal* 35 (1), 3–21.
- Vanclay, F., 2017b. Principles to assist in gaining a social licence to operate for green initiatives and biodiversity projects. *Current Opinion in Environmental Sustainability* 29, 48–56.
- Vanclay, F., Baines, J., Taylor, C.N., 2013. Principles for ethical research involving humans: Ethical professional practice in impact assessment Part I. *Impact Assessment & Project Appraisal* 31 (4), 243–253.
- Vanclay, F., Esteves, A.M., Aucamp, I., Franks, D.M., 2015. *Social Impact Assessment: Guidance for assessing and managing the social impacts of projects*. International Association for Impact Assessment, Fargo. https://www.iaia.org/uploads/pdf/SIA_Guidance_Document_IAIA.pdf. Accessed 10 June 2020.
- Vanclay, F., Hanna, P., 2019. Conceptualising company response to community protest: Principles to achieve a social licence to operate. *Land* 8 (6), 101.
- Vasilescu, R., Barna, C., Epure, M., Baicu, C., 2010. Developing university social responsibility: A model for the challenges of the new civil society. *Procedia Social and Behavioral Sciences* 2, 4177–4182.
- Wilmsen, B., Webber, M., 2015. What can we learn from the practice of development-forced displacement and resettlement for organised resettlements in response to climate change? *Geoforum* 58, 76–85.
- Xie, Y., Zhang, C., Lai, Q., 2014. China's rise as a major contributor to science and technology. *Proceedings of the National Academy of Sciences* 111 (26), 9437–9442.